Press Conference

Performance Y-2005

Jakarta, March 29, 2006

PT Bank Negara Indonesia (Persero) Tbk
Agenda

- Operational Performance
- Financial Performance
- Strategy for 2006
## Summary Performance Y-2005

### Program Restrukturisasi BNI

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Asset</td>
<td>129,0 T</td>
<td>125,6 T</td>
<td>131,5 T</td>
<td>136,5 T</td>
<td>147,8 T</td>
</tr>
<tr>
<td>Loan</td>
<td>35,4 T</td>
<td>37,8 T</td>
<td>46,4 T</td>
<td>57,9 T</td>
<td>62,7 T</td>
</tr>
<tr>
<td>Deposit</td>
<td>100,5 T</td>
<td>96,9 T</td>
<td>105,3 T</td>
<td>105,0 T</td>
<td>115,4 T</td>
</tr>
<tr>
<td>Equity</td>
<td>6,8 T</td>
<td>8,2 T</td>
<td>10,2 T</td>
<td>12,8 T</td>
<td>11,9 T</td>
</tr>
<tr>
<td>NPL (Gross)</td>
<td>19,54 %</td>
<td>5,06 %</td>
<td>5,69 %</td>
<td>4,60 %</td>
<td>13,70 %</td>
</tr>
<tr>
<td>CAR</td>
<td>14,20 %</td>
<td>15,94 %</td>
<td>18,16 %</td>
<td>17,13 %</td>
<td>15,99 %</td>
</tr>
<tr>
<td>LDR</td>
<td>35,22 %</td>
<td>38,96 %</td>
<td>44,09 %</td>
<td>55,10 %</td>
<td>54,24 %</td>
</tr>
<tr>
<td>NIM</td>
<td>2,68 %</td>
<td>3,40 %</td>
<td>4,33 %</td>
<td>5,61 %</td>
<td>5,50 %</td>
</tr>
<tr>
<td>ROA</td>
<td>1,42 %</td>
<td>2,04 %</td>
<td>0,77 %</td>
<td>2,45 %</td>
<td>1,61 %</td>
</tr>
<tr>
<td>ROE</td>
<td>32,39%</td>
<td>41,93%</td>
<td>11,83%</td>
<td>29,64%</td>
<td>12,61%</td>
</tr>
<tr>
<td>NII</td>
<td>2,8 T</td>
<td>4,1 T</td>
<td>5,0 T</td>
<td>6,9 T</td>
<td>7,2 T</td>
</tr>
<tr>
<td>Net Income</td>
<td>1,756 T</td>
<td>2,508 T</td>
<td>829 M</td>
<td>3,136 T</td>
<td>1,4 T</td>
</tr>
</tbody>
</table>

**Internal**
- Redefinisi Visi
- Corporate Identity
- Risk Management
- Refocussing business
- IT Roll Out
- GCG
- SDM

**External**
- Debt Overhang
- Makro Ek. Kurang kond
- BBM/Inflasi
- Keamanan

**Transformasi**
- Stabilisasi
- Pemulihan
- Transformasi

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We are committed to do best for BNI!
Operational Performance
To achieve the vision, three five-year stages have been formulated

Jan-Mar 2004
- Appointment of CEO and management team
- Problem mapping & determine priority
- Redefine Vision, Mission, Strategy and Target
- Restore public confidence and trust
- Implement risk management more effectively
- Aggressive NPL management
- Handle fraud case

Apr-Jun 2004
- Zero Fraud Operation
- Improve profitability to pre-crisis level
- Strengthening Good Corporate Governance
- Improve human resources management and policy
- IT Roll-out
- Launch Service Level Quality Improvement Program
- Launch maritime sector loan
- Intensify Cross-Selling Program

July – Dec 2004
“A Leading Bank in Services”
- Build a strong platform to maintain sustainable growth.
  - Re-branding and improving Corporate Identity
  - Strengthening distribution channel
  - Improving risk management
- Revitalize profit-generated sources:
  - SBU Corporate Banking
  - SBU Commercial & SME Banking (UMKM)
  - SBU Consumer Banking
  - SBU Transactional Banking
  - SBU Treasury and Financial Services
  - SBU Shari’a Finance and Banking
  - SBU International Banking
  - SBU Subsidiaries

2005 – 2013
“A Leading Bank in Performance”
- Maximize performance of profit-generated sources
- Develop competence to strengthen competitive advantage, by:
  - Organic (internal) development
  - Non organic development, through merger and acquisition

2014 – 2018
“A Bank that All Indonesians can be Proud of
- Redefine profit-generated sources based on prevailing economic, social & business environmental conditions
- Selective business expansion to international market

Maximizing Performance

A Bank that All Indonesians can be Proud of
Challenges in Y-2005

• Strategic business units are still under pressure due to macro economics condition and central bank regulation who impose regulation on one-obligor concept

• Unlike private national banks, State owned Banks still have to follow government regulation to restructure their bad debt.
Loan Infrastructure

Consumer Loan
• Recruitment Sales Force
• Develop consumer credit processing center
• Simplify loan application process supported by iCONS
• Pricing strategy

Commercial Loan
• Review the platform of 12 Medium Loan Center and 43 Small Business Loan Center
• 2 Medium Loan Center was established to penetrate Jakarta area.
The aim is to make sure that all the branches had already implemented the new IT (iCons) effectively and efficiently.

Centralized back office for Jakarta Area as the pilot project to implement centralized back office for all branches outside Jakarta.

COC is centralized back office for other cities outside Jakarta. In 2005, COC was established in Bandung, Medan, and Denpasar.

To fulfill Central Bank regulation, CNC was set as a central of clearing process before sent to Central Bank [BI]. In 2005, CNC only serve for Jakarta area, and will be implemented outside Jakarta in 2006.
<table>
<thead>
<tr>
<th><strong>Malcolm Baldrige</strong></th>
<th>An approach to improve BNI performance through identify the Opportunity for Improvement [OFI] with Malcolm Baldrige criteria.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Service Level Agreement [SLA]</strong></td>
<td>To improve customer satisfaction with the formal agreement between branch/region office/units or division in BNI</td>
</tr>
<tr>
<td><strong>Six Sigma</strong></td>
<td>A management system which focus on customer to improve business performance through increasing the quality of operational process with no defect [zero defect]</td>
</tr>
</tbody>
</table>
Highlight in Funding & Services

• Funding product increased significantly in outstanding balance and number of accounts

• Pension Plan Product remain as the biggest pension plan product in Indonesia

• Improvement in ATM availability, additional 7 ATM new features and increasing ATM transaction from Rp 18 billions/ATM to Rp 41 billions/ATM

• Set up *Treasury Remote Area service* for customer outside Jakarta area with *e-trading* facility for forex transaction.

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**TabunganPlus (TAPLUS)**

- Launched in 1989
- Balance: Rp. 35.98 trillion
- # of accounts: 7,98 million

**Pension Plan Product (#1 in AUM)**

- Launched in July 1994
- Balance: more Rp 2 trillion
- # of member: 343 thousands
BNI is the second largest credit card issuer in Indonesia after Citibank which is world leading credit card issuer. As of 31 December 2005, number credit card issued by BNI was more than 1 millions cards with the outstanding balance more than Rp 1,7 trillion.
Completing the implementation of new IT infrastructure to all branches including sharia branches, servicing on average 3 millions transactions per day with only 0,1 second per transaction.


Migration of 240 remote VSAT from Palapa-B satellite to Telkom-1 satellite

Centralize VSAT IP and VPN IP network to support branch interconnection 7x24 hours
## Award in 2005

<table>
<thead>
<tr>
<th>Award Category</th>
<th>Winner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best National Bank 2005</td>
<td>Bisnis Indonesia Newspaper</td>
</tr>
<tr>
<td>Bank with very good performance</td>
<td>InfoBank Magazine</td>
</tr>
<tr>
<td>The most profitable 1st Rank for Commercial (window &amp; Unit category)</td>
<td>International Islamic Banking Awards 2005</td>
</tr>
<tr>
<td>Bank of The Year 2005 in Indonesia</td>
<td>The Banker, London</td>
</tr>
<tr>
<td>Best Value Creator [Banking]</td>
<td>SWA Magazine, MarkPlus&amp;Co, and University of Indonesia</td>
</tr>
<tr>
<td>The Real Estate Award for Excellence 2005</td>
<td>Euromoney, London</td>
</tr>
<tr>
<td>Indonesia Customer Satisfaction Award (ICSA) 2005</td>
<td>ICSA</td>
</tr>
</tbody>
</table>
8. JSX, Bapepam, MBUMN

- The Second Best Annual Report Award for Listed Financial Company

9. Marketing Magazine

- Credit Card with the highest customer loyalty

10. Karim Business Consultant and PPM

- The most profitable Sharia Unit [third times once in 2002]
Financial Performance
### Profit & Loss

<table>
<thead>
<tr>
<th>[Rp Billion]</th>
<th>2004</th>
<th>UnAudited</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1Q-2005</td>
<td>2Q-2005</td>
<td>3Q-2005</td>
</tr>
<tr>
<td>Net Interest Income</td>
<td>6.885</td>
<td>1.728</td>
<td>3.672</td>
</tr>
<tr>
<td>Other Operating Income</td>
<td>2.860</td>
<td>448</td>
<td>878</td>
</tr>
<tr>
<td>Net Non Operating Income</td>
<td>(16)</td>
<td>6</td>
<td>22</td>
</tr>
<tr>
<td>Total Income</td>
<td>9.728</td>
<td>2.183</td>
<td>4.571</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>4.526</td>
<td>967</td>
<td>2.278</td>
</tr>
<tr>
<td>Net Income before Provision</td>
<td>5.202</td>
<td>1.215</td>
<td>2.294</td>
</tr>
<tr>
<td>Provision for loan losses</td>
<td>2.128</td>
<td>304</td>
<td>979</td>
</tr>
<tr>
<td>Net Income After Provision</td>
<td>3.074</td>
<td>911</td>
<td>1.314</td>
</tr>
<tr>
<td>Deffered Tax</td>
<td>19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income Tax</td>
<td>-</td>
<td>-</td>
<td>(394)</td>
</tr>
<tr>
<td>Net Income After Tax</td>
<td>3.093</td>
<td>911</td>
<td>921</td>
</tr>
<tr>
<td>Net Income</td>
<td>3.090</td>
<td>911</td>
<td>919</td>
</tr>
<tr>
<td>Net Income per share (full amount)</td>
<td>231</td>
<td>69</td>
<td>69</td>
</tr>
</tbody>
</table>
## Balance Sheet

### Total Assets

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>1Q-2005</th>
<th>2Q-2005</th>
<th>3Q-2005</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan</td>
<td>57.882</td>
<td>59.582</td>
<td>61.465</td>
<td>63.191</td>
<td>62.659</td>
</tr>
<tr>
<td>Placement &amp; Marketable Securities</td>
<td>33.655</td>
<td>21.901</td>
<td>25.264</td>
<td>29.734</td>
<td>40.963</td>
</tr>
<tr>
<td>Government Bonds</td>
<td>38.277</td>
<td>35.682</td>
<td>34.675</td>
<td>35.760</td>
<td>36.948</td>
</tr>
<tr>
<td>Other Earning Assets</td>
<td>4.156</td>
<td>3.658</td>
<td>3.705</td>
<td>3.921</td>
<td>4.940</td>
</tr>
</tbody>
</table>

### Earning Assets

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>1Q-2005</th>
<th>2Q-2005</th>
<th>3Q-2005</th>
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<td>3.705</td>
<td>3.921</td>
<td>4.940</td>
</tr>
</tbody>
</table>

### Interest Bearing Liabilities

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>1Q-2005</th>
<th>2Q-2005</th>
<th>3Q-2005</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Deposits</td>
<td>105.014</td>
<td>102.012</td>
<td>105.514</td>
<td>111.768</td>
<td>115.517</td>
</tr>
<tr>
<td>Borrowings</td>
<td>4.383</td>
<td>5.255</td>
<td>4.498</td>
<td>7.972</td>
<td>4.796</td>
</tr>
<tr>
<td>Subordinated debt</td>
<td>2.409</td>
<td>2.331</td>
<td>2.406</td>
<td>2.543</td>
<td>2.433</td>
</tr>
<tr>
<td>Marketable Securities Issued</td>
<td>2.113</td>
<td>2.256</td>
<td>3.022</td>
<td>2.733</td>
<td>2.167</td>
</tr>
</tbody>
</table>

### Equity

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>1Q-2005</th>
<th>2Q-2005</th>
<th>3Q-2005</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>2004</td>
<td>2005</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------</td>
<td>-------</td>
<td>-------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Capital</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAR (After Adjustment for Market Risk)</td>
<td>17.09%</td>
<td>15.99%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Asset Quality</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NPL Gross</td>
<td>4.6%</td>
<td>13.7%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NPL Nett</td>
<td>1.4%</td>
<td>8.4%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Requirement for Provision of Earning Assets</td>
<td>159.2%</td>
<td>102.3%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Rentability</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROA</td>
<td>2.4%</td>
<td>1.6%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROE</td>
<td>29.2%</td>
<td>12.6%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NIM</td>
<td>5.6%</td>
<td>5.5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Efficiency</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BOPO</td>
<td>78.8%</td>
<td>93.2%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CIR</td>
<td>45.8%</td>
<td>63.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Liquidity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LDR</td>
<td>55.1%</td>
<td>54.2%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Compliance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statutory Reserve Requirement (Rupiah)</td>
<td>12.11%</td>
<td>11.42%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NOP [Net Open Position]</td>
<td>4.8%</td>
<td>4.14%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Customer Deposit grew by 10% and maintained a good composition of low interest deposit product. Time deposit increased 29% [yoy], Current Account increased 7.4%, while Saving Account decreased by -7%. CASA still dominate funding product with more than 58% of total customer deposit. Increasing of TD was driven by high interest rate of SBI.
Loan Portfolio
by Sector & Currencies

[Rp Billion]

By Economic Sector

- Mining 1%
- Social Services 4%
- Transport., Wrehsoe., N Comm. 4%
- Electricity, Gas and Water 4%
- Construction 6%
- Business Services 6%
- Agriculture 4%
- Others 18%
- Manufacturing 34%
- Trading, Restaurant and Hotels 19%

By Currencies

- Forex 24%
- Rupiah 76%
Loan Quality

### Loan Quality Trends

<table>
<thead>
<tr>
<th>Year</th>
<th>Pass</th>
<th>Special Mention</th>
<th>Sub Standard</th>
<th>Doubtfull</th>
<th>Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>57.868%</td>
<td>2.3%</td>
<td>1.5%</td>
<td>2.0%</td>
<td>4.5%</td>
</tr>
<tr>
<td>1Q-2005</td>
<td>59.582%</td>
<td>3.0%</td>
<td>1.9%</td>
<td>2.0%</td>
<td>4.5%</td>
</tr>
<tr>
<td>2Q-2005</td>
<td>61.813%</td>
<td>3.5%</td>
<td>3.4%</td>
<td>2.3%</td>
<td>4.5%</td>
</tr>
<tr>
<td>3Q-2005</td>
<td>63.191%</td>
<td>8.5%</td>
<td>3.6%</td>
<td>2.3%</td>
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<td>1.4%</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

### Graphical Representation

- **Pass**: 79.7%, 80.1%, 75.3%, 71.0%, 73.1%
- **Special Mention**: 15.7%, 14.4%, 11.8%, 14.5%, 13.2%
- **Sub Standard**: 1.9%, 2.0%, 6.0%, 8.5%, 8.4%
- **Doubtfull**: 3.4%, 2.3%, 3.6%, 2.3%, 1.4%
- **Loss**: 0.8%, 1.6%, 3.5%, 3.6%, 4.5%
4. Apr-06

Serving the nation, being the pride of the nation

Strategy

In Y-2006
5 Policy for Focus in Y-2006

1. Resolve NPL with detail and clearly policy to develop, planning, execution and target finish date

2. Review the weaknesses of all ‘profit maker machine’ of the banks

3. Cost Efficiencies in all activities with considering the cost-benefit principles

4. Enhance existing Technology & Information system to speed up and efficient the working process

5. Improve the services for all units with competent human resources
Thank You